

Streamlining with FACNET Exercise

**Purpose - reinforce
use of FACNET**
Length 2 1/2 hours
**Type - 10 “in-box”
requirements; case
study**
**Small groups - report
out to plenary session**



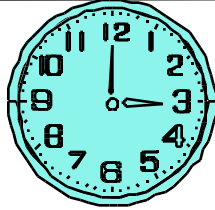
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You will experience an exercise designed to reinforce the use of FACNET. It will last 2-1/2 hours and will consist of 10 “in-box” requirements similar to the examples in this lecture. After you solve the in-box requirements, you will be given a case study to solve concerning the use of FACNET. You will be divided into small groups to develop individual solutions and then group solutions to the requirements. Each group will be asked to “report out” their group solution to the plenary session.

Streamlining with FACNET Exercise



Facilitator Time Guide



Item	Duration
Group - Exercise Orientation	10
Individual Solutions to In Box	20
Group Solution to In Box	20
Individual Solutions to Case Study	30
Group Solution to Case Study	30
Report Out	40

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As a guide, I recommend you divide your time as follows:

- 10 minutes for group and exercise orientation.
- 20 minutes for individuals to select their options on the in-box exercise and determine the supporting rationale.
- 20 minutes for the group to arrive at the consensus group solution for the in-box requirements.
- 30 minutes for individuals to identify solutions for the case study.
- 30 minutes for the group to reach consensus on solutions for the case study.
- 40 minutes for report outs in plenary session.

Breaks can be taken before the plenary session as coordinated with your group leader.

Streamlining with FACNET Exercise

Briefing Template

Legend			
F	-FACNET	p	-posting
n	-non-FACNET	s	-synopsis

Requirement	F	n	p	s



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When you return to the plenary session, your group will use a briefing template like the one displayed here to brief the group solution to the in-box requirements.

Streamlining with FACNET Exercise

Briefing Template

Alternative	
Pros	Cons



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This is the type of briefing template you will use for your group solutions to the case study. You are asked to have four different alternatives, so you will use four of these templates. Are there any questions? Go to the breakout rooms and be back here at (START TIME FOR PLENARY SESSION) to begin the report out.

Streamlining with FACNET Case Study

Briefing Template

Alternative 1	
Pros	Cons

Streamlining with FACNET Case Study

Briefing Template

Alternative 2	
Pros	Cons

Streamlining with FACNET Case Study

Briefing Template

Alternative 3	
Pros	Cons

**Streamlining with FACNET
Case Study**

Briefing Template

Alternative 4	
Pros	Cons

PREFACE / CLASS OUTLINE **ACQUISITION REFORM TRAINING MODULES**

TOPIC: STREAMLINING WITH FACNET EXERCISE

LENGTH/TYPE: 2.5 HOURS - SMALL GROUP EXERCISE

SCOPE: During this period, participants will work in groups assuming the role of contracting officer/contract specialist. Given an “in-box” of requirements, individuals will select the appropriate contract means for meeting each requirement and be prepared to explain the supporting rationale. Participants will also develop a solution for a case study concerning a complaint about facnet from a program office. Solutions will be briefed by work groups in plenary session.

OBJECTIVES: At the completion of this exercise, the participants will be able to:

1. Describe facnet and its impact on simplified acquisition procedures.
2. Identify management issues related to the use of facnet.
3. Given sample requirements.
 - a. Identify those where the use of facnet would be appropriate and indicate whether publicizing by posting or synopsis is required.
 - b. Identify management alternatives when using facnet.

MATERIALS:

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STREAMLINING WITH FACNET IN-BOX EXERCISE

BACKGROUND

You are a contracting officer in the contracting directorate at a defense installation. For six months your office has been certified interim facnet capable. The head of contracting activity in your command has determined that the acquisition of systems furniture is exempt from facnet. You are also aware that, as a contracting officer, you may exempt individual purchases from facnet. You sit down at your desk and have an in-box with 10 new requirements. You put a control sheet on each one and make simplified acquisition means recommendations before passing them to your specialists. Below is a summary of each requirement.

In the space beside each requirement place a check mark (✓) to indicate whether the better means is:

F - Facnet

N - Non-facnet

and which is required:

P - posting (p)

S - synopsis (s)

Be able to explain your choices. Transfer your choices to the briefing template on page 5.

#	REQUIREMENT	F	N	P	S
1	Request purchase of 36 male goats to support a testing effort (communicable diseases). Animals must be white, 6 to 12 months old, and disease free. Priority is routine. Deliver to: us navy center for disease prevention, washington dc. A request for information indicates the only approved source is lavin research herds and that lavin is not on facnet. Estimated cost: \$3,600.				
2	The consolidated motor pool requests the purchase of 15 engine hoists. The estimated cost is \$3,000 per hoist.				
3	The office of the director of industrial operations requests the purchase of 28 drums of no. 2 special purpose cleaning solvent. Estimated cost is \$500 per drum. Market research indicates that there are no providers of this supply on facnet. Recommended source is remington refinery.				
4	The office of training and security requests graphic arts support services for a one-time project. The priority is routine and the recommended source is artline enterprises. The statement of work is 20 pages and the estimated cost is \$80,000.				

**STREAMLINING WITH FACNET
IN-BOX EXERCISE**

#	REQUIREMENT	F	N	P	S
5	The installation engineer requests the purchase of 40 coils of hemp rope, each 200 feet long. The cost of each coil is estimated to be \$100.				
6	The supply division of the medical center requests the purchase of several boxes of surgeon's gloves at an estimated cost of \$500 per box. Details follow: 14 boxes, no 2, latex, large 29 boxes, no 2, latex, medium 9 boxes, no 2, latex, small				
7	Request purchase of bracing and blocking material listed below to support deployment of contingency unit for training overseas. Required items will be delivered to the consolidated unit motor pool, bldg. 2001. Estimated cost \$28,000. 4x4, #2 pine, 10,000 b.f. Plywood, 1 in, #2 pine, 1,000 sheets 2x4, #2 pine, 16,000 b.f. Plywood, 3/4 in, #2 pine, 500 sheets 1x6, #2 pine, 8,000 b.f. Nails, 20p, 10 kegs 1x12, #2 pine, 4,000 b.f. Nails, 40p, 8 kegs.				
8	The office of the director of information management requests the purchase 24 workstations of systems furniture for a training room. The estimated cost is \$1,800 per workstation. The recommended source is brothers furniture just outside the gate. Brothers did the other training rooms and the director wants them to do this one.				
9	The office of the director of industrial operations requests the purchase of 84 bottles of different industrial gases to support current operations for the next month. Priority is normal. Estimated price per bottle is \$700. Recommended source is blueflame gas.				

**STREAMLINING WITH FACNET
IN-BOX EXERCISE**

#	REQUIREMENT	F	N	P	S
10	<p>Request procurement of spare parts listed below in order to replenish a co., 1/313th forward support battalion unit basic loads. Delivery will be made to the 133d consolidated supply activity, bldg. 145. Priority is normal. Parts are commercially available and routine supply channel back-order estimate is six months. Estimated cost is \$17,000.</p> <p>1.5 ton m-1711, 4x4 - 3 carburetors - 3 sets forward brake shoes.</p> <p>2.5 ton m-1935, 6x6 - 6 fuel injector sets - 6 sets forward brake shoes</p> <p>5.0 ton m-1970, 8x8 - 12 tires - 1 transmission</p>				

**STREAMLINING WITH FACNET
IN-BOX EXERCISE**

BRIEFING TEMPLATE

REQUIREMENT	F	N	P	S
Goats				
Engine hoists				
Cleaning solvent				
Graphic arts support services				
Rope				
Surgeon's gloves				
Bracing and blocking				
Systems furniture				
Industrial gases				
Spare parts				

STREAMLINING WITH FACNET CASE STUDY

SCENARIO:

You are a contracting officer in the contracting directorate at a defense installation. For six months your office has been certified interim facnet capable. Ms. Goodboss, the director of contracting (doc), calls you into her office to discuss a phone call she got from Mr. Eyerate, the director of industrial operations (dio). The dio is upset and claims facnet is interfering with his operation and he thinks we should go back to the “good old days” before streamlining was implemented. The doc asks you to meet with the dio and find out what the problem is.

You attend the meeting with Mr. Eyerate and his operations shop supervisor, Ms. Hardwork. She states that ever since we started getting bottled industrial gas from that new contractor her shop operations have been disrupted. Deliveries have been late and occasionally, she has received sub-standard bottles of gas. She says the contractor is willing to replace them, but since the new contractor is over 200 miles away, her crew loses at least half a day on the job. She says she has to keep more inventory and there isn’t room on the shop floor for that and all the other items she has to stock. Mr. Eyerate points out that we used to get all our industrial gases locally from either blueflame gas, progas or volatile products. He claims that deliveries were on time and if we ever needed a replacement bottle the longest it took was one hour to get back on the job. He confirms that there is no room to stockpile more bottles and he feels stockpiling is contrary to his just-in-time (jit) management initiative that allowed him to close a warehouse. He is convinced facnet is the problem. You tell him that you will look into the matter. He states that he needs a solution within a week or he has no alternative but to escalate the problem to the commander.

You go back to the office and research the problem. The files indicate that dio uses about 1,000 bottles of gas a year. They used to order about 250 bottles each quarter but now order about 80 each month. You figure that matches the jit initiative Mr. Eyerate mentioned.

It is true that before facnet almost all the orders were filled by blueflame gas, progas or volatile products at an average price of \$700 per bottle. You see no evidence of quotes from either blueflame, progas or volatile since facnet was implemented. You check the attendance roster for the facnet workshop the office conducted last year and find that volatile and progas had representatives there but blueflame did not.

You contact the account representative at progas and ask him if they are using facnet to do business with the government. He says they have lost 10 percent of their business over the past year. They are going through cost cutting measures and can’t afford to implement facnet.

You contact progas and ask them the same question. The account representative says her company will not use facnet because they do all their electronic commerce via internet. Upon further questioning she says they have experienced a drop in orders from government sources and they suspect the business has moved to giant industrial supplier.

The representative from blueflame says he never heard of facnet. When asked about the number of government orders over the past six months, he says they have been dropping off.

You find that the new dio contractor is giant industrial supplier. Giant has won each facnet solicitation over the past six months. There has been competition and giant won with an average price of \$625. You figure the savings to be almost \$80,000 per year. However, performance records indicate that two of the last four deliveries have been five days late and the reject rate is an unacceptable 6 percent. Records for prior periods indicate no late deliveries and a .5 percent reject rate. You call the account representative at giant to discuss the dio concern. He says they have had a significant increase in all sorts of business since they started using facnet. He says that the increase in the volume of orders and reduction in paperwork has allowed them to reduce their prices. However, there have been some temporary delivery and quality problems. He assures you that delivery and quality fixes have been implemented and there will be no problems from now on.

You discuss the matter with a fellow contracting officer. He reminds you that facnet is the preferred alternative for contracting and you have to have a good argument to use anything else. He thinks the dio is just resisting change. After all, facnet produced over 10 percent in savings which more than offsets the problems dio is experiencing. He thinks we would win a confrontation with the commander and when the giant operation smooths out, facnet will be the hero.

REQUIREMENT:

You go to Ms. *Goodboss* to discuss your findings. She states that while giant may have fixed their problems, she is uncomfortable with the current situation. She prefers not to have Mr. Eyerate go to the commander. She would rather solve the problem at the director level. On the other hand, if you recommend that we stay with facnet, she will go head-to-head with Mr. Eyerate. Finally, she reminds you that the doc is a service organization and the dio is an important customer. **She says she wants four alternatives, with pros and cons, and at least one alternative must solve the problem within the week. You agree to meet that challenge. Place your responses on the briefing templates at pages 8-11.**

**STREAMLINING WITH FACNET
CASE STUDY**

BRIEFING TEMPLATE

ALTERNATIVE 1	
PROS	CONS

STREAMLINING WITH FACNET CASE STUDY

BRIEFING TEMPLATE

ALTERNATIVE 2	
PROS	CONS

STREAMLINING WITH FACNET CASE STUDY

BRIEFING TEMPLATE

ALTERNATIVE 3	
PROS	CONS

**STREAMLINING WITH FACNET
CASE STUDY**

BRIEFING TEMPLATE

ALTERNATIVE 4	
PROS	CONS